40-105 APPLICANT AND RECIPIENT RESPONSIBILITY (Continued)

40-105

- .4 Immunization Requirements (Continued)
 - (g) Failure to Cooperate

If an applicant/recipient fails to submit timely verification of immunization of any child(ren) in the AU under the age of six (see Section 40-105.4(d)) and does not qualify for an exemption or have good cause (see Section 40-105.4(i)), the grant shall be reduced by the amount (MAP) allowed for the needs, as specified in Section 44-315.311, of the parent(s)/caretaker relative in the AU.

HANDBOOK BEGINS HERE

(1) Immunization Penalty Computations

Examples:

(A) An AU composed of a mother and her three children fails to submit verification of immunization and is not found to have good cause. The mother has total earned income of \$525 per month and no disability-based unearned income. The AU is nonexempt and resides in Region 2.

Grant Computation - Single Penalty:

AU size remains four, but due to the penalty, use the MAP for three.

\$	525	Gross Earned Income
-	225 112	\$225 112 Income Disregard
\$	300 <u>413</u>	Remaining Earned Income
-	<u>150</u> <u>206</u>	50% Earned Income Disregard*
\$	150 <u>206</u>	Net Nonexempt Income*
\$	538 <u>608</u>	MAP for three (excluding the parent)
-	<u>150</u> <u>206</u>	Total Net Nonexempt Income
\$	388 <u>402</u>	Aid Payment

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34.

(B) This same AU also fails to cooperate with the District Attorney's office in establishing paternity for child support.

Grant Computation - Double Penalty

\$	525	Gross Earned Income
-	225 <u>112</u>	\$225 112 Income Disregard
\$	<u>300</u> <u>413</u>	Remaining Earned Income
-	<u>150</u> <u>206</u>	50% Earned Income Disregard*
\$	150 <u>206</u>	Net Nonexempt Income
\$	538 608	MAP for three (excludes the parent)
-	$\frac{150}{206}$	Total Net Nonexempt Income
\$	388 <u>402</u>	Aid Payment with First Penalty Applied
-	97 <u>100</u>	25% of Aid Payment - Second Penalty for Failure to
		Cooperate with DA*
\$	291 <u>302</u>	Aid Payment with Both Penalties Applied

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: Welfare and Institutions Code Section 11017, MPP Section 44-315.34

HANDBOOK ENDS HERE

(h) (Continued)

Authority cited: Sections 10553, 10554, 10604, 11209, 11253.5, 11265.2, 11265.3, 11265.8, 11266, 11268, 11450.5, and 11486, Welfare and Institutions Code, SB 72 (Chapter 8, Statutes of 2011), Section 42.

Reference:

Sections 10553, 10554, 10604, 11017, 11209, 11253.5, 11265.3, 11265.8, 11266, 11268, 11450, 11451.5, 11453, 11486, 13283, 14005.2, and 18945, Welfare and Institutions Code; Section 48200, Education Code; 45 CFR 205.42(d)(2)(v)(A) and (B), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 205.52(a)(1) and (2); 45 CFR 233.10(a)(1)(iv) and 235.112(b); 45 CFR 400.43; 7 CFR 273.16(b); 8 United States Code (USC) 1182(d)(5)(B); 42 U.S.C. 402(a)(6) and 616(b); and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193): California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996; The Trafficking Victims Protection Act of 2000 (P.L. 106-386), Sections 107(b)(1)(A), (B), and (C); The Trafficking Victims Protection Reauthorization Act of 2003 (Public Law 108-193).

Amend Section 44-111.23 to read:

44-111 PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION 44-111 AS INCOME (Continued)

- .2 Exemption of Earned Income (Continued)
 - .23 \$225/112 and 50% Disregards
 - .231 A family shall have \$225 of disability-based unearned income or and up to \$112 of any earned income and 50% of any remaining earned income disregarded as income. These disregards are applied as follows and subject to the method outlined in Section 44-113.2. If the disability-based unearned income is:
 - (a) Greater than \$225, the difference is added to any other nonexempt income.
 - (b) Less than \$225, the remainder up to \$112 of the remaining disregard is subtracted from any earned income.
 - (c) Zero, the \$225 112 is applied against any earned income.

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code, <u>SB 72 (Chapter 8, Statutes of 2011)</u>, <u>Section 42</u>.

Reference:

Sections 10553, 10554, 11008.15, 11265.2, 11280, 11322.6(f)(3), 11157 (Ch. 439, Stats. of 2002), 11450.5, 11450.12, 11451.5, and 11451.7, Welfare and Institutions Code; 42 USC Section 602(g)(1)(E)(i); Section 8, Public Law 93-134; Section 2, Public Law 98-64; Section 13736, Public Law 103-66; Section 1, Public Law 100-286, Section 202(a), Public Law 100-485 and 20 USC 1087uu; 45 CFR 233.20(a)(3)(iv)(B), (a)(3)(xxi), 45 CFR 233.20(a)(4)(ii); (a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p) and (q); 45 CFR 233.20(a)(11)(v)(C); 45 CFR 255.3(f)(1); 45 CFR 400.66; 45 CFR 401.12; Federal Action Transmittals ACF-AT-94-27 and 94-4 and FSA-IM-89-1; 45 CFR 233.20(a)(1)(ii); and 45 CFR 233.20(a)(3)(x); and Cadaret v. Wagner (Super. Ct. Sacramento County, 2011, No. 34-2009-80000302, Stipulation for Settlement and Order).

44-113 NET INCOME (Continued)

44-113

- .2 Earnings
 - .21 Computation of Net Nonexempt Earned Income for CalWORKs (Continued)
 - 215 Section 44-113.215(MR) shall become inoperative and Section 44-113.215(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
 - (QR) Apply any up to \$112 of the remainder of the \$225 disability-based unearned income disregard to the reasonably anticipated total monthly earned income for the family as determined in Section 44-113.213(QR). (Continued)

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- Section 44-113.22(MR) shall become inoperative and Section 44-113.22(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. (Continued)
- (QR) Net Nonexempt Income Computation

Example 1

A nonexempt AU of three (a parent and two children) has gross monthly earned income of \$775 per month, with no other income. The monthly income is reasonably anticipated to continue at the same amount for the QR Payment Quarter. The family lives in Region 1.

\$ 775	Earned Income
<u>- 225</u> 112	\$225 112 Earned Income Disregard
\$ 550 <u>663</u>	Subtotal
<u>- 275</u> 331	50% Earned Income Disregard*
\$ 275 <u>331</u>	Total Net Nonexempt Income*

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP 44315.34.

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Authority cited: Sections 10553 and 10554, Welfare and Institutions Code, SB 72 (Chapter 8, Statutes of 2011), Section 42).

Reference:

Sections 10063 (Ch. 270, Stats. 1997), 10553, 10554, 10790, 10791, 11008, 11008.19, 11017, 11155.3 (Ch. 270, Stats. 1997), 11157 (Ch. 270, Stats. 1997), 11265.1, 11265.2, 11265.3,11450,11450.5, 11450.12 (Ch. 270, Stats. 1997), and 11451.5 (Ch. 270, Stats. 1997), 11453, Welfare and Institutions Code; 45 CFR 233.10; 45 CFR 233.20(a)(3)(ii)(C); 45 CFR 233.20(a)(3)(vi)(A); 45 CFR 233.20(a)(6)(v)(B); 45 CFR 255.3; 45 CFR 233.20(a)(3)(iv)(B); 45 CFR 233.20(a)(3)(iv)(B); 45 CFR 233.20(a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p); Darces v. Woods (1984) 35 Cal. 3d 871; and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

44-133 TREATMENT OF INCOME -- CALWORKS (Continued)

44-133

.5 Income and Needs in Cases in Which a Person is Excluded (Continued)

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- .54 The following examples are provided to illustrate how to determine financial eligibility for the family in accordance with Sections 44-207.1 and .2 and the aid payment computation in accordance with Section 44-315. (Continued)
- (QR) Example 2: Family with Ineligible Non-Citizen Members and Stepparent with No Income

Mother of two children has earnings of \$600 per month and the income is reasonably anticipated to continue at this amount for the QR Payment Quarter. One of the children is her citizen child and the other is her ineligible non-citizen child with deprivation. Mother receives direct child support in the amount of \$85 per month for the ineligible non-citizen child. Also in the home is the ineligible non-citizen spouse of the mother. The spouse does not have any income. The family lives in Region 1 and does not have exempt status.

Applicant Eligibility Determination

\$	600	Actual Earned Income of Mother
	90	Applicant Earned Income Disregard
	510	Subtotal
<u>+</u>	<u>85</u>	Unearned Income of Ineligible Non-Citizen Child
\$	595	Total Net Nonexempt Income
\$	595	Less Total NNI is less than the \$1,008 1,347 Region 1 Nonexempt
		Family MBSAC for <u>Ffour</u> , (family passes applicant test).

Recipient Financial Eligibility Test

Monthly Earned Income of Mother
\$112 Earned Income Disregard
Subtotal
50% Earned Income Disregard
Net Nonexempt Earned Income
Unearned Income of Ineligible Non-Citizen Child
Total Net Nonexempt Income (rounded down)
•
Total NNI is Lless than \$839 762 Region 1, Nonexempt Family
MAP for <u>Ff</u> our, (family passes <u>recipient</u> financial eligibility test)

Grant Computation

\$ 839 762 - 272 329 \$ 567 433	Region 1, Nonexempt Family MAP for Four Total Net Nonexempt Income Potential Grant
\$ 568 <u>516</u>	MAP for AU of Two (includes mother and citizen child)
\$ 567 <u>433</u>	Aid Payment is the Lesser of the Potential Grant or MAP for the AU (Continued)

(QR) Example 3: Family with Ineligible Non-citizen AU Members and Stepparent with Income and Excluded Dependents

Recipient mother receives aid for herself and one child. The mother has earnings of \$600 per month that is reasonably anticipated to continue at the same amount during the QR Payment Quarter. Also living in the home are: 1) the ineligible non-citizen spouse of the aided parent; 2) the aided mother's ineligible non-citizen child in common with no deprivation; 3) the aided mother's citizen child in common who has no deprivation; and 4) a separate ineligible non-citizen child of the spouse. The spouse has \$375 per month earned income that is reasonably anticipated to continue at the same level during the QR Payment Quarter. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

Step 1	\$ 975 - 225 112 \$ 750 863 - 375 431 \$ 375 431	
	\$ 375 <u>431</u>	Total Family Net Nonexempt Income*
Step 2	\$ 1,072 <u>972</u>	Family MAP for Six (All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
	- 375 431 \$ 697 541	,
Step 3	\$ 568 <u>516</u>	AU MAP for Two
	\$ 697 <u>541</u>	Potential Grant
	\$ 568 <u>516</u>	Aid Payment (lesser of AU MAP or potential grant)

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34

HANDBOOK ENDS HERE

.55 (Continued)

Authority cited: Sections 10553, 10554, 10604, and 11369, Welfare and Institutions Code, SB

72 (Chapter 8, Statutes of 2011), Section 42.

Reference: Sections 10063, 10553, 10554, 10604, 11008.14, 11017, 11254, 11320.15,

11450, 11451.5, 11452, 11453, 11486, 18937, 18940, and 11371, Welfare and Institutions Code; 45 CFR 205.50(a)(1)(i)(A); 45 CFR 233.20(a)(1)(i); 45 CFR 233.20(a)(3)(ii)(C), (a)(3)(vi)(B), (a)(3)(xiv), (a)(3)(xiv)(B), and (xviii); 45 CFR 233.50(A)(c); and 45 CFR 233.90(c)(2)(i); Family Support Administration Action Transmittal 91-15 (FSA-AT-91-15), dated April 23, 1991; and Omnibus Budget Reconciliation Act (OBRA) of 1990; U.S. Department of Health and Human Services Federal Action Transmittal No. FSA-AT-91-4 dated February 25, 1991; Simpson v. Hegstrom, 873 F.2d 1294 (1989); Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; and Federal Register, Vol. 58, No. 182, pages 49218 - 20, dated

September 22, 1993; 8 U.S.C. 1631; and 42 U.S.C. 602(a)(39).

44-315 AMOUNT OF AID (Continued)

44-315

.3 Amount of Grant (Continued)

HANDBOOK BEGINS HERE

.39 Computation Examples Handbook Section 44-315.39(MR) shall become inoperative and Handbook Section 44-315.39(QR) shall become operative in a county

on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB

Declaration.

(QR) Computation of Monthly Grant Amount for the QR Payment Quarter when the AU's Income Reported for the QR Data Month is Expected to Continue for Each Month of the QR Payment Quarter

Example 1:

A nonexempt family of four (a pregnant mom, stepfather (father of the unborn) and her two separate children) are in a July, August, and September Quarter. The stepfather has gross earned income of \$775 per month, with no other income and no reasonably anticipated changes in income for the QR Payment Quarter. The stepfather chooses to be excluded from the AU until the child in common is born. The family lives in Region 1.

\$ 775 - 225 \$ 550 663 - 275 331 \$ 275 331	Reasonably Anticipated Monthly Earned Income for the Family \$225112 Income Disregard Subtotal 50% Earned Income Disregard* Total Net Nonexempt Income*
\$ 839 <u>762</u>	"Family" MAP for Four (mother, stepfather and two children) Region 1
<u>+ 47</u>	Special Needs for AU (third trimester of pregnancy)
\$ 886 <u>809</u>	Total (MAP plus special needs)
- 275 331	Net Nonexempt Income
\$ 611 <u>478</u>	Potential Grant
\$ 704 <u>638</u>	Nonexempt AU MAP for Three (Region 1)
<u>+ 47</u>	Special Needs for AU
\$ 751 <u>685</u>	Total MAP plus Special Needs
\$ 611 <u>478</u>	Actual Grant Amount (lesser of potential grant or AU MAP plus special needs)

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34 (Continued)

(QR) Computation of Monthly Grant Amount for the QR Payment Quarter when the AU's Income Reported for the QR Data Month is Expected to Differ for One or More Months of the QR Payment Quarter.

Example 2:

A Region 1 nonexempt AU of four is in the October/November/December quarter. Mother submits the QR 7 for November to the county on December 10. On the QR 7, she reports that she started a part-time job in December that will only last until the end of January, when the holiday shopping season has ended. She reports that she will get paid \$900 in January and \$800 in February. One child is also receiving SSA disability benefits (DBI) of \$100 per month based on an absent father's disability. SSA disability benefits are considered disability based unearned income (DBI).

Benefits for the January/February/ March quarter are computed based on the income the AU reasonably anticipates it will receive during that quarter as follows:

\$ 100	Monthly DBI
\$ 900 + 800 + 0 \$1700	Reasonably Anticipated Earned Income for January Reasonably Anticipated Earned Income for February Reasonably Anticipated Earned Income for March Subtotal Reasonably Anticipated Earned Income for Quarter
\$ 566 .67	Reasonably Anticipated Earned Income Divided by the Number of Months in the QR Payment Quarter 1700/3 = (averaged monthly earnings)*
\$ 100 - 225 0 -\$125 \$125	Reasonably Anticipated Monthly DBI Income Less DBI Unearned Income Disregard <u>Net DBI Income</u> Remainingder of \$225 DBI Disregard
\$ 566 .67 - 125 112 \$ 441.67 454 - 220.84 227 \$ 220.83 227	Less 50% Earned Income Disregard*
\$\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	Add Reasonably Anticipated Monthly DBI Add Reasonably Anticipated Monthly Earnings Total NNI [Rounded down]

\$ 799 <u>762</u>	MAP for AU of Four
<u>- 220</u> 227	Less NNI
\$ 579 <u>535</u>	New Monthly Grant for the QR Payment Quarter

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34 (Continued)

(QR) Mid-Quarter Changes to Cash Aid

Example 3:

A Region 1 nonexempt AU of three (mother and two children) is in the October, November, and December quarter. On her previous QR 7 received in September, (QR Data Month for the previous quarter was August), mother reported her earned income to be \$600 and that she expected no changes for the next QR Payment Quarter.

\$ 600	Reasonably Anticipated Monthly Income for the Family
<u>- 225</u> 112	\$225112 Earned Income Disregard
\$ 375 <u>488</u>	Subtotal
<u>- 187.50 244</u>	50% Earned Income Disregard
\$ 187 <u>244</u>	Total Net Nonexempt Income [Rounded down]
\$ 704 <u>638</u>	Non-exempt MAP for Three, Region 1
<u>- 187 244</u>	Less Net Nonexempt Income
\$ 517 <u>394</u>	AU Monthly Grant for the QR Payment Quarter

On October 25, the mother voluntarily reports that the father, with no income, moved into the home on October 24. The father is determined eligible and is reasonably anticipated to have monthly income of \$200 for November and \$100 for December.

The Mid-Quarter Grant Calculation for the Remaining Months of the Quarter Would Be:

\$ 200 + 100 \$ 300	Father's Reasonably Anticipated Earned Income for November Father's Reasonably Anticipated Earned Income for December Subtotal Reasonably Anticipated Earned Income for the Remainder of the Payment Quarter
\$ 150	Father's Earned Income Divided by the Remaining Months of the QR Payment Quarter \$300/2 = \$150 (reasonably anticipated monthly income)
\$ 600	Existing AU's Previously Determined Reasonably Anticipated Monthly Earned Income (not recalculated)
+ 150	Father's Reasonably Anticipated Earned Monthly Income

Total Net Nonexempt Income for the Potential AU
\$225112 Earned Income Disregard
Subtotal
50% Earned Income Disregard
Total Net Nonexempt Averaged Income [Rounded down]
Non-exempt MAP for Four, Region 1(includes eligible father)
Less Net Nonexempt Income
AU Monthly Grant Payment for the Remaining Months of the QR
Payment Quarter

Father is added to the existing AU effective November 1 since his addition to the AU will increase the cash aid. A supplement of \$60 49 is issued to the AU for November and the grant is increased to \$577 443 for the month of December.

HANDBOOK ENDS HERE

.4 Special Needs (Continued)

Authority cited: Sections 10553, 10554, 11209, 11450, 11450(g), 11450.018(a) and (b), 11452.018(a), and 11453, Welfare and Institutions Code, SB 72 (Chapter 8,

Statutes of 2011), Section 42.

Reference: Sections 10553, 10554, 11004 (Ch. 270, Stats. 1997), 11017, 11209,

11253.5(d) and (e) (Ch. 270, Stats. 1997), 11254, 11265.2, 11265.3, 11265.8(a) (Ch. 270, Stats. 1997), 11323.4 (Ch. 270, Stats. 1997), 11450, 11450(g), 11450.01, 11450.015, 11450.018(a) and (b), 11451.018(a), 11450.03, 11450.5, 11451.5 (Ch. 270, Stats. 1997), 11452, 11453, and

11453(a) (Ch. 329, Stats. 1998), Welfare and Institutions Code;

89-201 MINOR PARENT REQUIREMENT (Continued)

89-201

.5 Senior Parent Income

(Continued)

.51 Senior Parent/Minor Parent Eligibility and Grant Amount

(Continued)

.513 Grant Amount

(Continued)

HANDBOOK BEGINS HERE

(a)

Handbook Section 89-201.513(a)(MR) shall become inoperative and Handbook Section 89-201.513(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. (Continued)

(QR) Example: Eligible Minor Parent in own AU The persons residing together are the senior parent, her minor daughter (minor parent) and her minor daughter's child. The senior parent is not in the AU. The senior parent earns \$1,025 per month. The minor parent has no income. The family resides in Region 1 and is nonexempt.

The eligibility/grant computation is as follows:

\$1	,025	Reasonably Anticipated Family
		Earned Income
_	225 112	\$112 Earned Income Disregard
\$	800 <u>913</u>	
	<u>400</u> <u>456</u>	50% Earned Income Disregard*
\$	400 <u>456</u>	Average Net Nonexempt Income*
\$	704 <u>638</u>	MAP for an AU of Three
	400 456	Total Averaged Net Nonexempt
		Income
\$	304 <u>182</u>	Potential Grant
\$	568 <u>516</u>	MAP for an AU of Two
ф	204402	
\$	304 <u>182</u>	Actual Grant Amount (lesser of
		potential grant or AU MAP)

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34

(b)

Handbook Section 89-201.513(b)(MR) shall become inoperative and Handbook Section 89-201.513(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. (Continued)

(QR) Example:
Eligible Minor
Parent in AU
of Senior
Parent(s)

Minor parent lives with both her parents. The senior parents are in the AU with the minor parent and the minor's child. One senior parent earns \$900 per month. The other senior parent earns \$400 per month and receives \$125 in State Disability Insurance benefits. The minor parent has no income. The AU is nonexempt and resides in Region 1.

The eligibility/grant computation is as follows:

\$ 125	Reasonably Anticipated Monthly
	Disability-Based Unearned Income
- 225	\$225 Disability-Based Unearned
	Income (DBI) Disregard
0	Net Disability-Based Unearned
0	
ф 100	Income Description of the second sec
\$ 100	Remainder of \$225 DBI
	<u>Disregard</u>
\$ 125	Reasonably Anticipated Monthly
Ψ 120	Disability Based Unearned Income
225	\$225 Income Disregard
	_ ~
-\$-100	Net Nonexempt Disability Based
	Income
\$1,300	Reasonably Anticipated Monthly
	Family Earned Income
<u>- 100</u>	Remainder of \$225 DBI
	Disregard
\$1,200	
- 600	50% Earned Income Disregard
\$ 600	Averaged Net Nonexempt Earned
Ψ 000	Income
. 0	
+ 0	Other Nonexempt Unearned
	Income

\$ 600 Total Net Nonexempt Income

\$ 839 762 MAP for an AU of Four - 600 \$ 239 162 600 Net Nonexempt Income

Grant Amount

HANDBOOK ENDS HERE

(Continued) .6

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code, SB 72 (Chapter 8,

Statutes of 2011), Section 42.

Sections 11008.14, 11017, 11254 (Ch. 1022, Stats. 2002), 11450, 11451.5, Reference:

11453, and 16506(d), Welfare and Institutions Code; and 42 USCA 608(a)(5).